

**Commonwealth of Massachusetts**  
**Department of Telecommunications and Energy**  
**Fitchburg Gas and Electric Light Company**  
**Docket No. D.T.E. 02-24/25**  
**Responses to the Attorney General's Seventh Set of Information Requests**

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**Request No. AG-7-26 (Gas)**

Please describe how the Company calculates its peaking service rates. Include all calculations of the Company's most recent peaking service rates. Provide monthly peaking service revenues for the past peak season, include the associated monthly bill determinants.

**Response:**

As described in the Gas Division's Distribution Service Terms and Conditions tariff, M.D.T.E. No. 109 Section 16.3.1 and 16.3.2, the peaking service rate is made up of a peaking demand charge and a commodity charge.

Section 16.3.1 reads that a Supplier shall pay a peaking-demand charge based on its MDPQ of assigned Peaking Capacity as billed by the Company over the six months of the Peak Season. Such unit-demand charge shall be equal to the total capacity costs and other fixed costs associated with the Company's peaking resources, excluding such costs that are collected through distribution rates, divided by the estimated peaking resources needed to meet the Company's total system Peak-Day requirement. Attachment 1 AG-7-26 provides the Gas Division's most recent calculation of the peaking-demand charge. This charge was effective for the peak season November 2001 through April 2002 and was filed as part of the Gas Division's September 17, 2001 Form II CGAC.

Under the Gas Division's PBR proposal, the Price Cap will adjust the LPLNG component of the CGAC rate. To compute the LPLNG costs for the peaking-demand charge calculation, the Gas Division will apply total firm sales and firm transport volumes for the rate period to the rate.

Section 16.3.2 reads that a Supplier shall pay a commodity charge equal to the weighted average cost of peaking supplies plus fuel retention and carrying charges. The Company shall post the Company's weighted average cost of peaking supplies on its Website by the 15th of the Month preceding the next Assignment Date. The commodity charge will be multiplied by the volumes of Peaking Service gas nominated by the Supplier during each Month. Attachment 2 AG-7-26 provides the Gas Division's calculations of the peaking commodity charge.

Attachment 3 AG-7-26 provides the monthly peaking service revenues for the past peak season (November 2001 through April 2001), as well as the associated monthly bill determinants.

**Person Responsible:** Karen M. Asbury

Fitchburg Gas and Electric Light Company

Rate Development Worksheet for

Peaking Service Demand Charge

In Accordance with Section 16.3.1 - Distribution Service Terms and Conditions, M.D.T.E. No. 109

**Total capacity and fixed costs associated with  
the Company's Propane and LNG Plants**

1. LPLNG Costs (1), (2)	\$	691,918	
2. LPLNG Costs - LNG Plant (1), (2)	\$	118,966	
3. LNG Demand Costs	\$	93,000	
4. Total Annual Fixed Costs	\$	903,884	L.1 + L.2 + L.3
5. Peak Day Requirement (Dkth) (2)		7,581	
6. Demand Charge - Annual (\$/MDPQ in Dkth) (3)	\$	119.23	L.4 / L.5
7. Demand Charge - Monthly (\$/MDPQ in Dkth) (3), (4)	\$	19.87	L.6 / 6
8. Demand Charge - Monthly (\$/MDPQ in Therms) (3)	\$	1.99	L.7 / 10

(1) As filed and approved for recovery in the Company's CGAC filing dated September 30, 1999.

(2) See Attachment DTE 1-2 of FG&E's Response to DTE-1-2 Data Requests filed on February 17, 2000, in DTE 98-32-D and DTE 00-20.

(3) MDPQ stands for Maximum Daily Peaking Quantity as defined in FG&E's tariff, M.D.T.E. No. 109.

(4) Peaking demand charges recovered over the 6 months of the Peak Season.

Fitchburg Gas and Electric Light Company  
Peaking Service Commodity Charge  
In Accordance with M.D.T.E. No. 109, Section 16.3.2

Peaking Supplies (1)	Effective Date	Propane Cost (\$/Dth)	LNG Cost (\$/Dth)	Other LNG Cost (\$/Dth)	Propane Dth	LNG Dth	Other LNG Dth	Propane %	LNG %	Other LNG %	Weighted Avg. (\$/Dkth) (2)	Interest Rate	Carrying Charge Charge/Dth	Final Weighted Average
September 2001	November 2001	\$5.76	\$4.38	\$0.00	26,119	5,054	0	0.84	0.16	0.00	\$5.54	3.78%	0.017	\$5.55
October 2001	December 2001	\$5.76	\$4.38	\$0.00	26,119	4,231	0	0.86	0.14	0.00	\$5.57	3.15%	0.015	\$5.58
November 2001	January 2002	\$5.76	\$3.99	\$0.00	26,119	5,495	0	0.83	0.17	0.00	\$5.45	2.72%	0.012	\$5.47
December 2001	February 2002	\$5.76	\$5.65	\$0.00	26,119	6,127	0	0.81	0.19	0.00	\$5.74	2.37%	0.012	\$5.75
January 2002	March 2002	\$5.76	\$5.83	\$0.00	26,119	6,310	0	0.81	0.19	0.00	\$5.77	2.28%	0.011	\$5.78
February 2002	April 2002	\$5.76	\$6.27	\$0.00	26,119	6,936	0	0.79	0.21	0.00	\$5.87	2.31%	0.010	\$5.88
March 2002	May 2002	\$5.54	\$6.45	\$0.00	27,145	3,194	0	0.89	0.11	0.00	\$5.64	2.28%	0.011	\$5.65
April 2002	June 2002	\$5.54	\$6.75	\$0.00	27,145	3,671	0	0.88	0.12	0.00	\$5.69	2.35%	0.011	\$5.70

(1) Costs based on actual monthly data. Rates are effective two months after.

(2) Includes Fuel Retention.

Fitchburg Gas and Electric Light Company  
Peaking Service Determinants and Revenues  
November 2001 - April 2002

	Peaking Demand Determinants (Dkth)	Peaking Demand Charge Monthly (\$/MDPQ in Dkth) (1)	Peaking Demand Revenue	Peaking Commodity Determinants (Dkth)	Peaking Commodity Charge Monthly (\$/Dkth) (2)	Peaking Commodity Revenue
November-01	638	\$19.87	\$12,677.06	635	\$5.55	\$3,524.25
December-01	651	\$19.87	\$12,935.37	952	\$5.58	\$5,312.16
January-02	708	\$19.87	\$14,067.96	0	\$5.47	\$0.00
February-02	710	\$19.87	\$14,107.70	117	\$5.75	\$672.75
March-02	709	\$19.87	\$14,087.83	0	\$5.78	\$0.00
April-02	709	\$19.87	\$14,087.83	0	\$5.88	\$0.00

(1) See Attachment 1 AG-7-26, line 7

(2) See Attachment 2 AG-7-26; 2 month lag